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L E T T E R
T O A
F R I E N D
C O N C E R N I N G
U S U R Y.

Wherein are mentioned all the Arguments formerly written for and against the Abatement of Interest.

Collected out of Four Tracts on that Subject :

One by *Sir Thomas Culpeper Senior*, in 1621. Another by *Sir Thomas Culpeper Junior*, in 1668. The Third by *Sir Josiah Child*, in 1668. And the Fourth by *Mr. Thomas Manley*, in 1669.

By R. C.

L O N D O N.
Printed in the Year 1690.

LETTER

TO THE

MEMBERS OF THE

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S I R,

I Return you many Thanks for your Information, by which after some time spent in search, I found out all those Pamphlets about Interest, which you discours'd of; and in return of your Kindness, I have sent you in short the Contents of a *Traët against Usury*, written by Sir *Thomas Culpeper*, in the Year 1621. and presented to the Parliament in the 21st of King *James* the First, with a Preface to a *Discourse* about Usury, written by Sir *Thomas Culpeper*, his Son, in the Year 1668. And also some Arguments from *brief Observations concerning Trade*, written in the same Year by

Sir *Josiah Child*, as is supposed, with all the Objections against the reducing of Interest, out of a Pamphlet intitled *Interest of Six per Cent. &c.* written by *Thomas Manley*, Gent. in the Year 1669. Being an Answer to the former Pamphlets ; by the reading of which you will be enabled to be a Judge of the Controversie.

Sir, The Arguments in a *Traact against Usury*, Printed in the Year 1621. which was presented to the High Court of Parliament, for the reducing of Interest from Ten *per Cent.* to Eight, are these :

I. A high Interest decays Trade : The advantage from Interest is greater than the Profit from Trade, which makes the Rich Merchants give over, and put out their Stock to Interest, and the lesser Merchants break.

II. In-

II. Interest being at Ten *per Cent.* and in *Holland* at Six, our Neighbour Merchants under-sell us ; they can afford their Wares cheaper.

III. Interest being lower in *Holland* than in *England*, their Contributions to War, Works of Piety, and all Charges of the State, are cheaper unto them than unto us.

IV. Interest being so high, prevents the Building of Shipping, which is the Strength and Safety of our Island, most Merchant-Ships being built in *Holland*.

V. The high Rate of Usury makes Land sell so cheap, being not worth more than Fourteen or Fifteen Years Purchase: Whereas, in *Holland*, where Interest is at Six, it is worth above Five and Twenty: So that a low Interest

raiseth the Price of the Land :
Where Money is dear, Land is
cheap.

The *Objections* against bringing
down of Interest, which he takes
notice of, are these :

1st. That Money will be sud-
denly called in, so all Borrowers
will be greatly prejudiced. To which
he answers, That it is not pro-
vable that the Lenders will call in
their Money, when they cannot
make greater Interest any where
else, besides their Security upon
Land is made better.

2^d. *Objection*, That as Money
will be hard to be borrowed, so
Trade and Commerce hindred; and
the Kings Occasions for Money will
not be supplied. To this he an-
swers, That there will be fewer
Borrowers; for the Value of the
Land

Land being raised, the Debts upon it will be sooner discharged ; and there being less occasion for Money to be lent upon Land, it will the more easily be borrowed by the King's Majesty, Traders, or others ; especially by the King, when he always gives more than Legal Interest.

3d. There is much Money of Foreigners, which when Interest is abated, will be called for, or carried out of the Land, and so make Money scarce. To this he answers, That the Money of Foreigners is not brought into the Land by ready Coin, or Bullion, but by Goods, or Bills of Exchange ; and when it is paid, must be returned by Goods, or Bills of Exchange ; and there will not be the less Money in the Land.

These are the Chief Heads of this Pamphlet, which was printed Threescore and Ten Years since.

Sir, The next is a Discourse written by Sir Thomas Culpeper, his Son; which because the Arguments are much the same, I shall not trouble you with them; but I have transcribed the Preface *verbatim*; by which you may perceive the Sense of the Writer.

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The Preface to a Book, Intituled
*A Discourse, shewing the many
 Advantages which will accrue to
 this Kingdom, by the abatement of
 Usury.*

IT is now about Forty five years since,
 (viz. 21 Jacobi) That my deceased
 Father (being a Member of the Par-
 liament for that year) first attempted
 the bringing down of Interest from Ten
 to Eight in the Hundred; and Publish-
 ed a Discourse thereupon: Wherein his
 endeavours (assisted by many Patriots of
 that time) so well succeeded, that a
 Law was then made for that Pur-
 pose.

It passed with all the Opposition ima-
 ginable, and nothing was left un-object-
 ed, or un-answered, which the Will
 of Man could devise, for it was an
 untroden Path, and must be hewn
 out

out by dint of Reason, in regard none of those Arguments, wherewith Experience hath since happily furnished us, in great Plenty, could then be produced.

At the passing of it, he hath often told me, That a Member of that Parliament, of as great Authority and Esteem as any then sitting, and a Principal Opposer, spake to this Effect, That though he could not protest, yet he desired, it might be remembred, That he had foreseen and foretold the Inconveniencies that would ensue : To which it was by my Father replied, That he desired it might likewise be remembred, That he had Propheesied the many happy Effects of it, (*viz.*) To the King, in the improvement of his Customs : To the Landlord, in the advancement of his Rents, and price of his Inheritance : To the Merchant, in quickness of his Trade, and benefit of his Returns : To the Borrower in the ease of his Condition, &c. And Issue was joyned concerning his Majesties Customs of Exportation, as a Measure of all the rest : Not many
years

years after they met again; and my Father pleasantly asked him; whether he had lately been at the Custom-house: which he as readily apprehending, most ingeniously yielded the Cause.

Soon after this there was a long Vacancy of Parliaments: till the year 1640. At which time my Father (being strengthened with success, and further incited by Intelligence from *Holland*, that they had there newly abated their Interest) set forth another Treatise, to evince the necessity of reducing Money from Eight to Six; the Ground-work whereof was, That till we brought Interest to the same Rate with the *Dutch*, our design was lame, and our Grand Competitors would still have the start of us: The Business was ready for the Mint, and would certainly have passed, but that it was intercepted by unnatural Discord.

Hitherto the necessity of it did not so visibly appear; it was as yet but convenience, for the *Dutch* had then their hands full of their War with *Spain*,
which

which (though prosperous enough) was some Curb to their growth in Commerce; *Germany* was so harass'd and embroiled, that it could neither Trade nor Till; *France* so exhausted, that it bought of us much more than it sold; *Sweden* a meer Limb of the *French* Interest; we alone (sitting under the Shaddow of our own Vines) might afford to give them all great odds; for all the Markets of the World were full of our Growth, and thin of theirs: The Kings Customs yearly greatly advanced; the Gentleman daily rais'd his Rent, yet duly received it, which the Farmer chearfully paid, and the Merchant (their Factor) thrived with his Principal; Our Land was yearly improved, and with it Our Manufacture increased; Our poor generally employed, and not turned a Charge upon the Land; Our Debtors daily cleared themselves, either by sale of Land, or fortunate Industry: So as, in a short time, *There would have been no decay, no leading into Captivity, and no complaining in our Streets.*

Betwixt

Between 1640 and 1660, was a vast Gulf of Twenty Years ruine and distraction in this Kingdom; during which time (not to mention our own Declination, (*viz.* Anno 1647, happened the Peace at *Munster*, whereby the *Dutch* (being unmolested and secured from *Spanish* pretence) were at leisure to intend their Trade, and undermine Ours. *Germany* hath had time to Re-people, Re-build, and Re-plant. *Sweden* is become an Independent Power, of much weight in the Ballance of Christendom. And *France* first making Peace with the *Emperor*, then with *Spain*, (by the Sovereignty of its Dominion, the largeness and compactness of its Territory, and the preheminance of its Soil and Climate) is in a few Years become dangerous to us all.

Anno 1652. The *Grande*s of that *Junto* found themselves in a dangerous Dilemma: For, as on the side, they saw, That without encouraging Trade and Navigation, their New Machine of a Commonwealth must soon fall; so neither, without the utter Oppression of the Nobility and Gentry, could it long stand.

stand : They therefore (for the present Exigence) contrived an Expedient, by continuing all the Burthens upon Land, and abating Interest to Six *per Cent.* They meant, no question, (when they had once accomplished their purpose of ruining their Enemy the Landlord) to bring it lower ; as yet it was not seasonable ; for scarce any Land-Taxes, with very low Interest, would greatly and suddenly hurt him : But sure they were short-sighted if they did not see, That Land-Taxes would destroy Trade, though not so immediately, yet as effectually as high Interest ; And that, if by Embasing our Land, we discourage its Improvement, we nip our Trade in its very Bud.

Anno. 1660. His Majesty being happily restored, and the Kingdom settled, my Father forthwith resumed his design of further abating Interest, as the greatest of Blessings both to King and Kingdom : But my Lord *Culpeper* dying, (who, he knew had the same Thoughts, and through whose Assistance only he hoped to effect it) he soon gave it over, finding (as he said) that
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the World was then intent upon other Game than Trade; and despairing that himself should live to see it: Yet, before his death he recommended the Prosecution of it to me, (his Executor) together with the Payment of his Debts; Adding sometimes in jest, That the Usurer and he were not yet even; for he had only scratched the Usurer; the Usurer had stab'd him: but he hoped he might (without Breach of Charity) will me, if I could, to revenge his quarrel, by doing good to the Usurer against his will.

Accordingly he made it the main drift of his private discourses with me, in the last period of his Age (being 87 Years old when he died, about six Years since) to arm me for his Encounter, by possessing me not only with the Evidence, but the Importance of the Argument, by telling me frequently, That when he was forgotten, it would be revived; That he wished it were not too late considered; That it would at once Reform a thousand Abuses; That he did not see how a Register could be, till low Interest first made way for it, by clearing

ing Incumbrances: That he marvelled Sir *Walter Raleigh*, who wrote so many notable things concerning Trade, Navigation, and Fishing, never harped upon this String; That he could boast to have been happily instrumental in the recovery and preservation of many thousand Acres of excellent Marsh-Land, but to his own loss, by unhappily exposing himself to the Canker of Interest, that Interest being high, borrowing chargeable, and all the burthens laid upon Land, it was time for Gentlemen in debt (if they meant honestly) to wear Linsey-Woolsey, and eat Eggs and Sallets; to which we must all come by degrees: for so the wary *Spaniard* in a barren Country, supports himself against the extremity of Taxes.

In the same Year, viz. 12 Car. 2. (Six per Cent. being then generally practised) That Convention holding it necessary to continue the said practice, confirmed it by a Statute Intituled *An Act for Restraining Excessive Usury*: The Preamble whereof is as followeth. Forasmuch as the Abatement of Interest from ten in the Hundred, in former times hath been found

found by notable Experience, beneficial to the Advancement of Trade, and Improvement of Lands, by good Husbandry, with many other considerable Advantages to this Nation: especially in the Reducing of it to a nearer proportion with other States, with whom we Traffick. And whereas, in fresh memory, the like fall from Eight to Six in the Hundred by a late constant practice, hath found the like success, to the general Contentment of this Nation, as is visible by several Improvements. And whereas it is the endeavour of some at present, to reduce it back again in practice to the allowance of the Statute still in force, to Eight in the Hundred; to the great discouragement of Ingenuity and Industry in the Husbandry, Trade, and Commerce of this Nation. *Be it therefore, &c. Confirmed 13 Car. 2. Cap. 14.*

After my Fathers decease, I endeavoured what I could to propagate so fruitful a Plant, and try if it would grow at *London*; which, I take it, is not so far *Northward* as *Amsterdam*; but for want of Eloquence, I found

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my self always contradicted and foiled; though I must needs say never convinced.

The most popular Argument I met with, was this, That Eight *per Cent.* were far more seasonable in our scarcity of Money: Since, 1. High Interest brings Money. 2. Money brings Trade. To the first of these Propositions, I could have answered, That the Money mentioned must be either Gotten, Given, or Lent: Gotten, I fear it cannot be at Eight *per Cent.* because I see, that even at Six *per Cent.* our wisest Traders (who both by their Stocks and Experience, are best able to manage Trade) daily decline it, and betake themselves to Interest, as a more steady Income, leaving younger Men (who commonly are more sanguine) to feast themselves with Hope, and buy their Experience. Given, I doubt it is not, for I hear of slender Charity now stirring. If it be Lent, it must be re-paid with greater Interest, than the Use of it will yield; and that mars all. To the second I could have shewn the vast difference, where Trade brings Money, as

it doth in *Holland*, and once did here ;
and where Money brings Trade, as it
doth still in *Spain*. But I found the
Torrent was not to be stemm'd, and so
reserved my Purpose for a calmer Season.

By this time the War with *Holland*
was begun, and all Discourses silenced
with the Sound of Cannon ; the Event
whereof was neither so good as we some-
times hoped, nor so bad as once we
feared ; but compounded of strange
Disappointments and Deliverances: Of
all which, the most profitable Use we
can make, is this ; That though we
prevailed sufficiently by Blows and
Booties, yet we were first wearied with
the Expence.

And no marvel, if we duly consider
the vast disproportion of our respective
Charges : For 3 to 6, or 4 to 8, bears
the same Analogy as 30 to 60, or 40
to 80. Now if the States by command-
ing Money at 4 *per Cent.* could in Build-
ing, Rigging, Victualling, Paying, &c.
do that for 40 *l.* which must cost His
Majesty 80 *l.* (and I wish he had Money
so cheap) I suppose, (the Forces being
B 2 other

otherwise reasonably ballanced) scarce any Goodness of Ships, Valour of Seamen, or Advantage of Situation and Ports, will countervail such Odds.

Some Months after the Peace was proclaimed, presuming that our late Experience, and present Exigence, could not but conduce to my Design, by disposing many who were averse, to receive Impressions contrary to their former Judgments, and affording me (at least) some Illustrations; I went to *London*, with full purpose to promote it; but found my self happily prevented by one Mr. *Child*, a Merchant of known Abilities in Trade, and choice Conversation, who (rising as it were out of my Father's Dust) did by his own Sagacity find out this hidden Vein; and lighting afterwards, by meer chance, upon one of my Father's Treatises, modestly reprinted it, with its proper Date, and annexed it to his own excellent Treatise, entituled, *Brief Considerations concerning Trade and Interest of Money*: Whole honest Endeavours for his King and Countries Service, I am bound to assist with my utmost Skill and Power;
and

and in pursuance thereof, have composed this Tract, which, with all humility, I present to your Wisdoms.

In a *Post-script* he takes notice of this Objection.

That since the Law of the Land has settled the Rate of Interest, the Usurer has a Property by Law to Interest; and it would be as much wrong to make a Law to abate Interest, as to take away so much of the Rent of every Man's Land: And such a Law would be a great Prejudice to Widows, Orphans, and others, who live upon Interest, and know not how otherwise to employ their Stock.

To this he answers, That as to Orphans, it can be no prejudice; because, as the Law of England now stands, Executors are not obliged to pay Interest.

Secondly, That there is no Property or Right to Interest by the Laws of the Land; but the Right doth solely arise by the Covenant and Agreement of the Party. Both by Ecclesiastical and Statute-Law, Usury was counted unlawful;

and those Statutes that afterwards limited Interest to 10, 8, and 6 *per Cent.* did only take away the Penalties from the former Statutes, but did not make it more lawful.

By the ancient Canons of the Church, the Usurers were in the same Condition with the Excommunicated; They were denied the Sacraments, disabled to make Wills, and not permitted Burial in Church or Church-yard.

By the Statute of the 3 of *H. 7.* it was Ordained, That all Usury should be extirpated. By the 11 of *H. 7.* He that lendeth his Money upon Usury, shall forfeit one half thereof.

The Statute made in the 3 of *H. 8.* takes off the former Penalties, and limits Interest to 10 *per Cent.* but in the same Statute declares Usury unlawful.

In the 5 of *E. 6.* the Law of *H. 8.* was Repealed; and it was then Enacted, That no Person should take Interest, upon the Penalties of losing the Principal, be Imprisoned, and Fined at the King's Pleasure.

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In the 13 of *Eliz.* the Law of *E. 6.* was Repealed, and that of *H. 8.* was re-inforced: But in that Statute Usury is called a Vice, and a detestable Sin; and provides, That it may be punished by the Ecclesiastical Law.

The Statute in the 21 of King *James* the First, by which Interest was reduced from 10 to 8, relates the great Mischiefs from high Interest, and provides, That no Words in the said Act should be construed to allow the Practice of Usury, as to the Point of Religion.

The Law made in 1652. being the same with that of the 12th and 13th of *Car. 2.* which reduced Interest from 8 to 6, takes notice in the Preamble, of the great Advantage to the Nation, by the bringing down of Interest; and restrains, under Penalties, the taking above 6 *per Cent.* but gives no more Legal nor Ecclesiastical Right, than the former Statutes.

By this it appears, that Usury was accounted a Crime; so that the abating
B 4 of

of it, is but the lessening of the Sin; and if there was any Right from those Laws, it was very uncertain : And how severe soever the Lowering of Interest from 6 to 4 *per Cent.* may be to Widows, Orphans, and Younger Brothers; yet they will still have as much Rent for their Money, as the Gentry and their Elder Brothers have for their Land; for the Land of *England* does not yield more than 4 *per Cent.*

The next Remarks are from *Brief Observations concerning Trade and Interest of Money*; written, as is supposed, by Sir *Josiah Child*, in 1668.

Amongst the several Means which he recites for the promoting of Trade, he concludes, *That a Low Interest is the chiefest*; and lays down this Position, *That the Abatement of Interest is the Cause of the Prosperity and Riches of the Nation; and that the bringing down of Interest in this Kingdom, from Six to Four, or Three per Cent. will necessarily, in less than twenty Years time, double the Capital Stock of the Nation.* He proves this very clearly, by several Arguments, which will be too long
long

long to recite. I shall therefore only mention two of his Instances.

First, That where Interest is high, the People are poor, and Money scarce; as to instance in *Spain, Scotland, and Ireland*, where Money is at 10 and 12 per Cent. the Inhabitants are poor, ill fed and clad; though *Ireland and Spain* are both very fertile Countries, and to the latter all the Gold and Silver of the *Indies* are brought; and yet there is seldom any but Brass Money seen in the Country. On the contrary, in *Italy and Holland*, where Money yields not above Three per Cent. the People are Rich, full of Trade, and their Land sells from Thirty five to Forty Years Purchase.

Secondly, That by the several Abatements of Interest in *England*, we have so increased in Riches, that now 2000 *l.* is esteemed no greater Portion than 500 *l.* was Fifty Years ago; and a Knight now exceeds a Lord of those days in rich Clothes, Plate, Jewels, &c. and that we have almost a hundred Coaches for one we had then.

And

And if Interest were lowered to Three or Four *per Cent.* the Nobility and Gentry may presently, in stead of Fifty, write One hundred. The Merchants, who bear the Burden of the Day, by trading upon Interest, will find their Yoke lighter. The Mariners, Shipwrights, Porters, Clothiers, Packers, and all sorts of Labouring People, would be more constantly imploy'd; and the Farmers would sell the Product of their Land at better Rates. He concludes with answering of several Objections, which are the same as are before recited.

Sir, The next Recitals are out of a Book entituled, *Usury at Six per Cent. &c.* written by Mr. *Thomas Manly*, in 1669. wherein he designs to answer the two Books before-recited, one written by Sir *Tho. Culpeper junior*, and the other by Sir *Josiah Child*, which he does so confusedly, and to so little Purpose, that I cannot find any thing considerable to take notice of, only in the Main, his design is to excuse the Usurer, and to lay the blame of the decay of Trade from the dearness of the

the Commodities, which he saith doth arise from the high Prises of the Workmen and Labourer Waggess; and the Merchants and Traders living too well, spending too much of foreign Commodities, and drinking too much Wine; so that he would have the People to be starved, and go in Thredbare Clothes, and drink nothing but Water or Small Beer, that they might be the better able to pay Interest.

But because the main Design of his Treatise is to prevent the abating of Interest, that I might be impartial to both sides, I have recited every one of his Arguments, which he devides into Nine.

He begins, The many Mischiefs that will ensue from the abating of Interest are these.

1. It will draw the Treasure of the Nation into a few Hands, (than which nothing can be more pernicious,) occasion the hoarding of it up in the Misers Chest; by which I perceive he thinks the Users will lock up their Money, rather than lend it at Three or Four *per Cent.* but the Usurers are wiser Men,

Men, and have learnt the Proverb, *That it is better to have half a Loaf than no Bread*; neither is Three or Four *per Cent.* so contemptible a Gain to be so slighted, for many Gentlemen are now contented to Lett out Money at Four *per Cent.* : And the *East-India Company* gives no more than Three *per Cent.* at this time.

2. It will make Money scarce to be borrowed: that's answered before, for the Lenders do now put out their Money at Three and Four *per Cent.* before such a Law is made, therefore will not refuse it afterwards.

3. It will expose, both at present and in the future, an infinite number of Widows, Orphans, and other impotent Persons, to great want and extremity: This Objection was before answered by Sir Thomas Culpeper.

4. It will encourage our Gentry to run into debt, by making most of them bolder in borrowing.

5. It

5. It will oblige the Nobility and Gentry to provide greater Portions for their younger Children.

6. It will introduce a thousand tricks amongst the rank Usurers, Brokers, and Scriveners.

7. It will cause the *Dutch* to withdraw their Money from us.

8. It only can retard the Building of *London*, &c. But this is no Objection now, nor ever would have been, if *London* had not been Built, no more than the other are before-recited.

9. And lastly, It will expose the Gentry who shall be in debt at the passing such a Law, to many and great inconveniencies. The Reasons are, that he thinks the Money will be called for, and not lent again by others, though the Security be enlarged by the lowering of Interest, which raises the value of Land.

Sir, These are his Arguments, the Weight of them I'll leave to you to judge ; all that I observe from the Four Pamphlets is this ;

First,

First, That the Land of *England*, when Sir *Thomas Culpeper* wrote his Discourse, was at Fifteen and Sixteen years Purchase, and I see now that it is worth generally Two or three and Twenty, which does solely arise from the abating of Interest.

Second, That Interest was at Six per cent. in *Holland*; but after it was reduced to Eight in *England*, it was reduc'd to Four in *Holland*; and now being at Six here, 'tis there at Three: So that they have always kept the same advantage in Trade, from our over Balance by Interest, well understanding the Profit they have from thence.

Third, That the *Dutch* sent Money here in *England* in those days, and the lowering of Interest did not cause them to call it home; but it were better for this Nation if it would, for then they would return their Effects in our Native Commodities, and not keep their lean Kine to be made fat by Interest, as Sir *Josiah* expresseth it. For if Money had not been then reduc'd, every 1000 *l.* from the Interest of 10 per cent.

cent. would have been now a Million ; according to Old Mr. *Audley's* Observation, that One hundred Pound, put out at Ten *per cent*, would make a Hundred thousand Pound in Seventy years, so long it is since Interest was first lowered.

Therefore the Memory of Sir *Thomas Culpeper* ought to be in high Esteem with this Nation, being the first, by his sagacity, that brought down Interest, or else perhaps the whole Land of *England* by this time had been mortgaged, if not sold to the *Dutch*.

Lastly, Sir *Thomas* his Arguments for abating of Interest from Ten to Eight, which were, That it would raise the Price of Land, and promote Trade, &c. are the same as are now used to reduce Interest from Six to Four, and experience hath shewn their good Effects ; and therefore we have Reason to expect the like advantage, the Objections were the same then as now, and therefore can have no greater Force, nor worse Effects.

Sir,

Sir, I have exceeded the Bounds of a Letter, which I could not avoid, to bring the chief Contents of Twelve Sheets into Two, without being unjust to some of the Authors, and rendering my Endeavour unacceptable, giving you an imperfect Account, which was the chiefest of my Care to avoid.

S I R,

I am your most Obedient Servant.

London Oct. 20.

1690.

R. C.

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